A2500-2
12/14/87

Paper Paperboard & Wood Pulp

MONTHLY STATISTICAL SUMMARY - Vol. 65 - No. 11 NOVEMBER 1987

PAPER AND PAPERBOARD PRODUCTION: HOLDING STRONG

Paper and paperboard production in the first ten months of 1987 hit a record-high seasonally adjusted rate of 73.8 million tons per year. This was 4.8% above the corresponding year-earlier rate, with paper up 3.9% and paperboard 5.8%, both record highs. The gains were well distributed among the major grades, indicating an overall balanced growth. However, October's actual production showed only a modest growth over the September level, reflecting changes in the seasonal pattern of some of the paperboard grades. Available data on inventories of paper and allied products at mills, plants and end-user facilities have shown no significant growth so far this year.

Paper: The growth in paper production has been centered on communication papers and packaging papers other than kraft paper. The 9.8% gain in production of these other papers for the January-October 1987 period is the largest year-to-year gain for all paper grades (see table on page 3).

Total printing and writing paper shipments were 5.3% above shipments in the same period last year, about double the gain in real GNP. When the strong increase in net imports (imports less exports) is factored in, new supply (production plus net imports) of these grades grew at an even faster rate than domestic shipments. Inventories, both at mills and printers are showing no significant increase, indicating that demand for these grades by end users parallels the new supply trend.

Coated paper shipments were 9.5% above their year-earlier rate in the first ten months of 1987, largely reflecting gains in shipments to periodical publishers and commercial printers. The increase in imports of these papers in the first nine months of 1987 rose at the rate of 128,000 tons per year. The total was 31% above its year-earlier level, indicating that the percentage gain in new supply was greater than that of shipments. These imports were equivalent to 9% of domestic shipments. The increase came entirely in imports from Canada; imports of coated papers from other countries declined.

Continued on page 2

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Uncoated free sheet paper shipments were up 4.7% in the first ten months of 1987, with imports, which were equivalent to only 3.5% of total shipments from domestic mills, down 11%.

Groundwood paper shipments on the other hand, have moved in the relatively narrow range of 1.52-1.54 million tons per year during the past three years. There has, however, been a large gain in new supply of groundwood papers; imports, as reported by the Bureau of Census, showed a 25% gain. These imports were equivalent to nearly 80% of shipments from domestic mills.

Newsprint new supply has outpaced real GNP growth so far this year. Domestic production showed a 3.7% gain over their year-earlier rate in this January-October 1987 period; imports 4.3%. Publishers' inventories have been in a flat trend for the entire year as consumption of newsprint kept pace with new supply. While about 73% of demand comes from daily newspapers, the greatest growth rate is occurring in the all other category, largely in newspaper inserts and similar products.

Tissue and cotton fiber papers are also showing strength on a year-to-date basis.

Unbleached kraft paper shipments continue to run below year-ago levels. Although shipments have strengthened in the last few months, the September-October rate was still below year-ago levels. (See chart on page 4). The largest losses in this grade are occurring in the unbleached grocers bag and sack papers, which are facing strong competition from plastic substitutes.

Paperboard: Production of paperboard was equivalent to 96.4% of capacity in October, but the total was only 0.8% above the September total. As the chart on the bottom of page 8 shows, production took a much steeper jump in earlier years.

The slower movement shows up in the weekly production levels, which fell off in the last half of the month as kraft and semichemical paperboard mills took downtime for maintenance and repair that, in previous years, had been done in July. These shutdowns reflect changes in labor contracts, which now permit mills to remain open throughout the entire month of July. They may be considered as a seasonal reduction in output, in that they do not reflect changes in user demand, which appears to have remained strong. However, it is too early to tell whether the timing of the current shutdowns will be repeated in future years. Our calculations of the seasonally adjusted data for October 1987 are based on the assumption that the relatively small increase in production from September to October reflects seasonal shutdowns for maintenance and repair.

Continued on page 11

PAPER AND PAPERBOARD STATISTICS

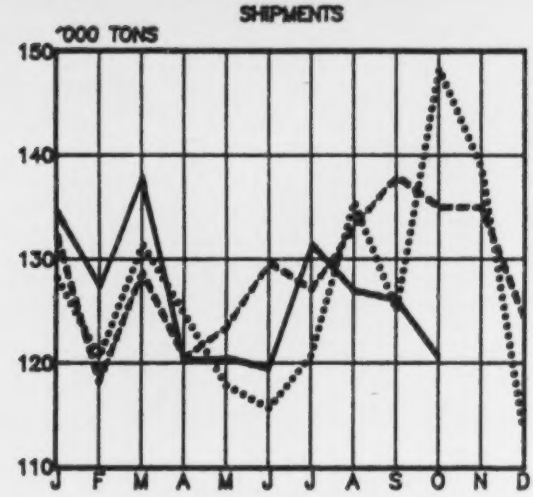
PRODUCTION, SHIPMENTS AND ORDERS
(Thousands of Short Tons)

	YEAR 1985	YEAR 1986	JULY 1987 (P)	AUGUST 1987 (P)	SEPTEMBER 1987 (P)	OCTOBER 1987 (P)	Annual Rate Y-T-D 1987	% Change From same Period Last Year
PAPER								
Newsprint - Production	5,428	5,630	502	498	494	508	5,833	3.7
- Shipments	5,431	5,638	498	495	498	502	5,834	3.8
Printing & Writing Sum (R)	18,423	19 601	1.754	1,792	1,760	1,788	20,640	5.3
Groundwood Paper - Shipments (R)	1,521	1,540	132	127	126	121	1,518	-1.2
- New Orders (R)	1,477	1,553	134	136	130	117	1,545	-0.1
-Unfilled Orders (R)	106	124	137	148	153	148	148	26.8
Coated Papers - Shipments (R)	5,875	6,263	584	597	591	588	6 810	9.5
- New Orders (R)	5,642	6,334	623	632	568	607	7,053	10.9
- Unfilled Orders (R)	393	469	647	678	663	686	686	31.3
Unctd Free Sheet - Shipments (R)	9,690	10,410	928	951	926	962	10,931	4.7
- New Orders (R)	9,704	10,485	945	996	941	1,015	11,058	4.6
- Unfilled Orders (R)	509	587	581	625	647	692	692	10.1
Thin Papers - Shipments	262	247	17	17	19	18	227	-9.9
Cotton Fiber Paper - Shipments	144	152	12	13	14	14	163	6.1
Bleached Bristols - Production	930	990	82	86	84	85	990	-0.8
Tissue Paper - Production	4,941	5,095	434	454	436	459	5,279	3.5
Total Packaging & Other Paper	5,204	5,117	392	416	420	435	5,059	-1.3
Unbl. Kraft Paper - Shipments	3,403	3,303	244	249	259	259	3,082	-7.3
Other Paper - Production	1,801	1,814	148	167	161	176	1,977	9.8
TOTAL PAPER-Production-Unadj.	33,996	35,443	3,081	3,161	3,110	3,189	36,810	3.9
-Production S.A.			3.056	3.059	3.062	3.065	36.555	3.9
PAPERBOARD - PRODUCTION								
Solid Wood Pulp Furnish	25,404	27,336	2,493	2,548	2,424	2,405	28,914	5.9
Total Unbl. Kraft Paperboard	16,368	17,689	1,650	1,670	1,613	1,566	18,863	6.9
Unbl. Kraft Linerboard (1)	15,183	16,402	1,519	1,558	1,521	1,485	17,560	7.7
Production for Export	1,830	2,246	227	221	186	176	2,295	3.3
Other Unbl. Kraft Paperboard	1,184	1,287	131	112	92	81	1,303	-2.7
Semichemical Paperboard	5,088	5,376	471	481	469	474	5,637	4.8
Production for Export	189	213	16	11	14	13	195	-3.0
Solid Bleached Paperboard	3,948	4,271	372	397	342	365	4,414	3.2
Production for Export	466	569	43	46	47	43	565	-0.4
Recycled Paperboard	7,630	8,083	664	752	705	755	8,577	5.5
Production for Export	26	70	12	5	5	5	55	-23.3
TOTAL PAPERBOARD-Prod.-Unadj.	33,034	35,419	3,157	3.300	3,135	3,160	37,498	5.8
- Containerboard Prod.(Dom. Use)	20,042	21,426	1,935	2,004	1,976	1,970	22,970	7.6
- Boxboard Prod.(Dom. Use) (2)	5,673	5,903	498	559	492	535	6,174	3.8
- All Other P'bd Prod.(D.U.) (2)	4,808	4,992	426	453	410	419	5,238	3.3
- Total Paperbd Prod. for Export	2,511	3,097	297	283	251	236	3,110	1.6
TOTAL PAPERBOARD PROD.- S.A.		-	3,119	3,129	3,138	3,148	37,206	5.8
				1.055	0.999	1.004		
TOTAL PAPER AND PAPERBOARD								
Production - actual	67,030	70,861	6,238	6,460	6,245	6,349	74,308	4.8
Production - S.A.			6,175	6,188	6,200	6,213	73,762	4.8

(1)Includes all exports of kraft paperboard. R - Revised P - Preliminary S.A. - Seasonally Adjusted
(2)Data for unbl. kraft folding boxboard incl. in All Other P'bd.

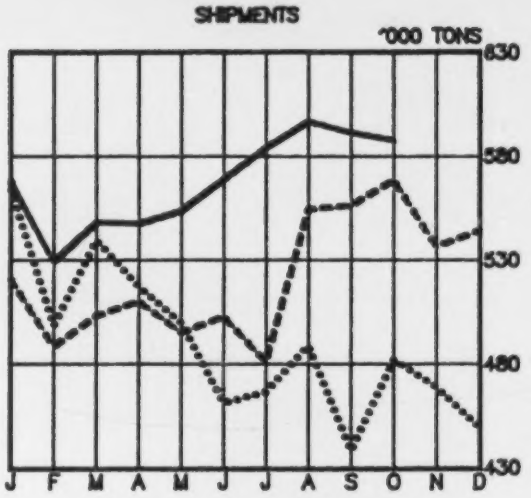
GROUNDWOOD PAPER, UNCOATED

SHIPMENTS



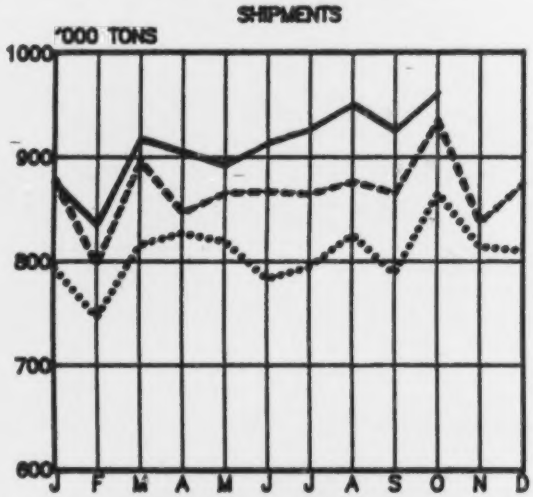
COATED PAPER

SHIPMENTS



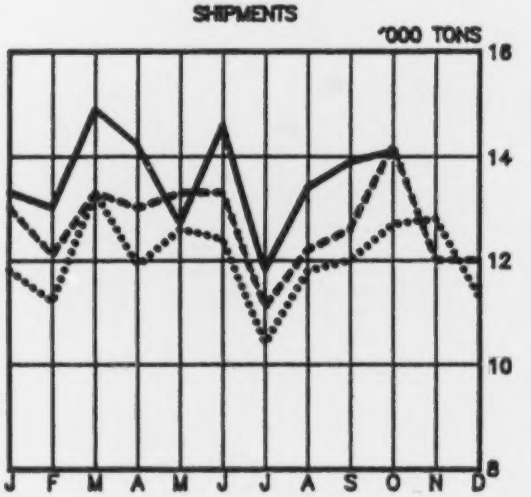
UNCOATED FREE SHEET PAPERS

SHIPMENTS



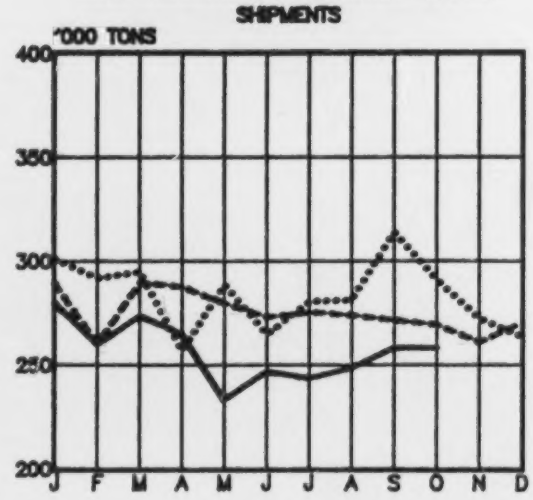
COTTON FIBER PAPER

SHIPMENTS



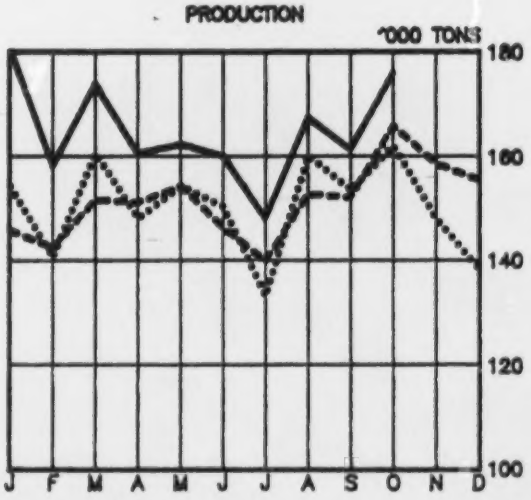
UNBLEACHED KRAFT PACKAGING AND INDUSTRIAL CONVERTING PAPER

SHIPMENTS



OTHER PAPER

PRODUCTION



1985 ..... 1986 - - - - - 1987 ———

WOOD PULP STATISTICS
(Thousands of Tons)

	YEAR 1985	YEAR 1986	JUNE 1987	JULY 1987	AUGUST 1987 R	SEPTEMBER 1987 P	Annual Rate Y-T-D 1987	% Change from same Period Last Year
Total Wood Pulp - Production	54,147	57,017	4,971	5,111	5,083	4,919	59,395	4.7
- Imports	4,466	4,582	390	401	380	546	5,017	9.1
- Exports	3,791	4,458	455	463	390	442	4,888	8.1
- New Supply	54,821	57,140	4,906	5,049	5,073	5,023	59,524	4.8
Dissolving Pulp - Production	1,174	1,258	113	123	102	112	1,303	3.6
- Imports	175	255	21	11	22	19	215	-17.2
- Exports	631	711	62	65	62	65	755	6.7
- New Supply	718	801	72	69	62	66	764	-5.7
Paper Grades - Production	43,696	46,081	4,035	4,141	4,162	3,942	48,164	5.1
Chemical Pulp - Imports	4,104	4,220	354	367	349	506	4,629	9.7
- Exports	3,131	3,689	391	396	326	376	4,109	9.4
- New Supply	44,668	46,612	3,998	4,111	4,186	4,071	48,684	5.2
Groundwood and - Production	5,251	5,487	468	484	487	506	5,677	4.0
Thermo-Mech. - Imports	187	188	14	23	8	2	146	22.7
- Exports	29	59	1	2	2	1	23	-60.1
- New Supply	5,409	5,536	481	506	493	507	5,799	5.1
Semi-Chemical - Production	4,027	4,191	355	364	333	359	4,250	1.6
- Imports								
- Exports								
- New Supply	4,027	4,191	355	364	333	359	4,250	1.6
MARKET WOOD PULP								
Total Market - Production	6,800	7,583	692	729	708	680	8,087	7.4
Wood Pulp - Imports	2,791	3,121	280	285	268	292	3,219	3.9
- Exports	3,784	4,470	442	439	369	469	4,784	6.6
- New Supply	5,807	6,234	530	574	607	503	6,522	6.2
Dissolving Pulp - Production	1,172	1,251	113	123	102	112	1,299	3.9
- Imports	174	212	17	6	19	17	164	-25.3
- Exports	667	718	74	65	54	88	780	9.7
- New Supply	679	745	56	63	66	40	684	-9.9
Paper Grades - Production	5,613	6,315	578	605	604	566	6,773	8.1
Chemical Pulp - Imports	2,531	2,831	256	263	245	269	2,957	6.1
- Exports	3,117	3,752	368	375	315	382	4,005	6.0
- New Supply	5,028	5,394	466	494	535	454	5,726	8.5
Groundwood Pulp - Production	15	17	1	1	1	1	14	-12.3
and All Other - Imports	86	78	6	16	4	8	98	7.5
- Exports	1	0	(0)	0	0	0	0	0.0
- New Supply	100	95	8	17	5	9	112	4.6

SOURCES: Total Wood Pulp Production & Market Wood Pulp Production, Imports & Exports - Pulp Division, Pulp, Materials and Technology Group, API. Total Wood Pulp Imports & Exports - Department of Commerce.

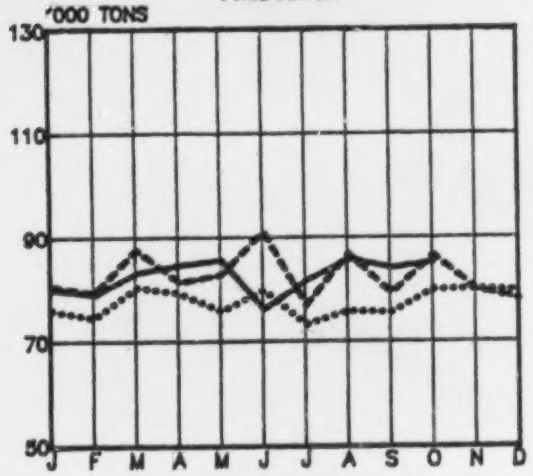
FIBROUS RAW MATERIALS
(Thousands of tons)

					R	P		
CONSUMPTION AT PAPER & PAPERBOARD MILLS								
Total	69,670	72,990	6,332	6,437	6,482	6,501	76,288	5.0
Total Wood Pulp	54,047	56,320	4,859	4,984	4,943	5,013	58,705	4.8
Waste Paper	15,623	16,670	1,474	1,453	1,539	1,488	17,583	5.7
INVENTORIES								
Chemical Paper Grade Market Pulp								
Producers'-Own-Use Inventories	165	174	177	173	177	167	167	-10.5
Producers' Market Inventories	485	284	276	281	340	272	272	-10.0
Consumers' Purchased Inventories	503	569	593	608	605	629	629	9.8
Waste Paper at Paper & Bd. Mills	969	832	773	797	745	804	804	0.7
Days of Supply at Pulp Mills of Chemical Paper Grade Mkt Pulp	30	16	15	15	18	14	14	-17.6

SOURCES: Wood Pulp Data, Pulp Division, Pulp, Materials and Technology Group, API. Waste Paper Data, Paper Recycling Committee, API.
P - Preliminary; R - Revised; (0) - Indicates zero to five-hundred short tons

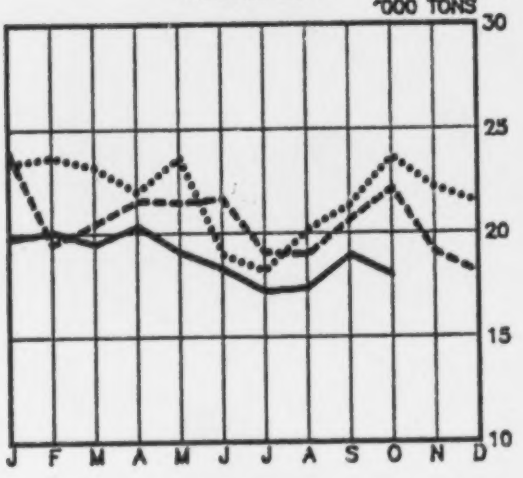
BLEACHED BRISTOLS

PRODUCTION



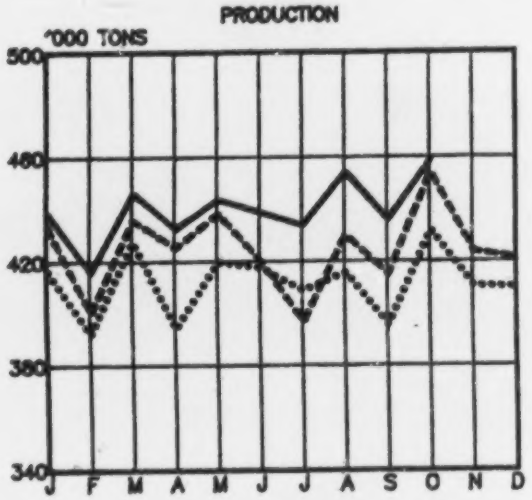
THIN PAPER

PRODUCTION



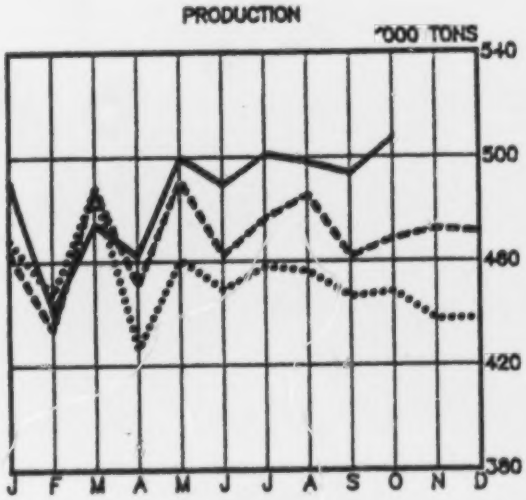
TISSUE PAPER

PRODUCTION



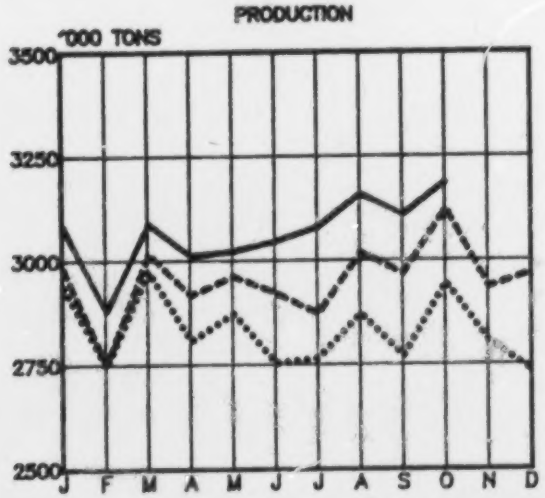
NEWSPRINT

PRODUCTION



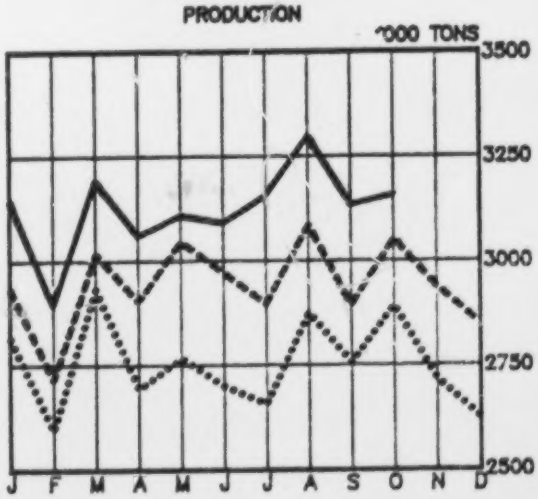
TOTAL PAPER

PRODUCTION



TOTAL PAPERBOARD

PRODUCTION



1985 ..... 1986 - - - - 1987 ———

F I B R O U S R A W M A T E R I A L S

(Thousands of Standard (128 cubic foot) Cords)

		YEAR 1985	YEAR 1986	JUNE 1987	JULY 1987	AUGUST 1987	SEPTEMBER 1987	Annual Rate Y T D 1987	% Change From Same Period Last Year
PULPWOOD									
Total U.S.	- Total Receipts	85 499	90 943	7.743	8.264	7 643	8.061	94,195	4.1
	- Total Consumpt	85,744	91,434	7,723	8.195	7,729	7.856	93,865	3.3
	- Residues *	30,464	32,755	2,739	2,778	2 637	2,848	32,692	-0.5
	- Inventories	5,046	4,794	4 651	4,782	4,703	5,044	5,044	1.5
So. Atlantic	- Total Receipts	27 589	29.513	2,555	2 688	2,529	2,826	30,948	5.2
	- Total Consumpt	27,815	29 425	2,530	2,651	2,519	2.773	30,869	5.2
	- Residues *	7.970	9,343	768	835	779	912	9,331	1.0
	- Inventories	1,117	994	992	1,025	1,040	1,114	1,114	7.4
Northeast	- Total Receipts	7,430	7,277	586	572	554	545	6,984	-2.3
	- Total Consumpt	7,394	7,227	580	591	596	539	7,164	-0.6
	- Residues *	1,539	1,419	147	108	117	129	1,536	8.2
	- Inventories	544	484	440	447	471	514	514	25.1
South Central	- Total Receipts	29,786	31 790	2,734	2,982	2,687	2,813	33,524	5.9
	- Total Consumpt	29,914	32,113	2,752	2,937	2,707	2,698	32,925	3.3
	- Residues *	9,207	9,792	872	825	758	819	10,067	3.6
	- Inventories	1,198	926	1,033	1,088	1,048	1,180	1,180	6.6
North Central	- Total Receipts	6,430	6,571	545	607	539	539	6,480	0.6
	- Total Consumpt	6,296	6,730	575	563	559	536	6,708	-0.3
	- Residues *	1,290	1,042	86	109	104	109	1,105	5.9
	- Inventories	884	892	811	884	837	857	857	4.8
West	- Total Receipts	14,264	15,792	1,323	1,415	1,334	1,338	16,259	3.0
	- Total Consumpt	14,325	15,939	1,286	1,453	1,348	1,310	16,199	2.9
	- Residues *	10,458	11,159	866	901	879	879	10,653	-6.9
	- Inventories	1,303	1,498	1,375	1,338	1,307	1,379	1,379	-13.7

* - Consumption of Residues in Cord Equivalents. SOURCE. American Pulpwood Association 20 Nov 87

U N I T E D S T A T E S T R A D E W I T H C A N A D A

IMPORTS FROM CANADA

	YEAR Tons	1986 ($000's)	AUGUST 1987 Tons	AUGUST 1987 ($000)	SEPTEMBER 1987 Tons	SEPTEMBER 1987 ($000)	Annual Rate Y-T-D 1987 Tons	% Change From same Period Last Year
Pulpwood, Roundwood (in cords of 128 cubic feet)	59,490	4,224	2,803	181	16	1	7,499	-88.9
Pulpwood chips	723,257	19,488	33,837	1,598	46,334	1,589	389,113	-46.6
Wood Pulp, Total	3,949,414	1,422,180	327,433	141,010	366,503	156,043	4,317,994	9.5
Waste Fibrous Materials, Total	157,870	27,196	14,883	2,984	12.005	2,110	182,915	12.0
Paper, Board & Products, Total	9,963,486	4,467,761	853,937	424,134	918,947	455,729	10.633.938	6.8
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	9,842,154	4,268,820	842,651	405,321	906,595	433,403	10,487 919	6.6
Paper, Paperboard & Products	9,715,710	4,393,592	833,830	417,782	900,152	450,319	10,398,441	7.2
Paper & Paperboard, Only	9,594,378	4,194,651	822,544	398,969	887.800	427 993	10,252,421	7.0
Paper, Total	9,367,380	4,130,464	798,880	391,390	863,265	420,087	9,997,677	6.9
Newsprint	8.269,333	3,556,983	676,091	325,054	739,101	352,218	8,640.619	4.0
Printing, Writing & Rel. Pap.	868,628	457,685	101,085	54,657	100,219	55.407	1,092,445	33.2
Pack. & Ind. Conv. Paper	182,481	81,492	17.734	8,389	20,784	9,720	220,091	22.8
Special Industrial Paper	4,766	7,893	426	784	400	709	5,482	21.7
Tissue Paper	42,173	26,411	3,543	2,506	2,761	2,034	39.039	-4.8
Paperboard, Total	226,998	64,187	23,664	7,579	24,535	7,906	254,745	13.6
Convtd Paper&Paperbd Products	121,332	198,941	11,286	18,813	12,352	22,326	146.019	21.7
Wet Machine Board	2,332	1,570	228	157	209	143	2,909	28.5
Construction Paper & Board	245,444	72,599	19,880	6,195	18,586	5,267	232,588	-7.9

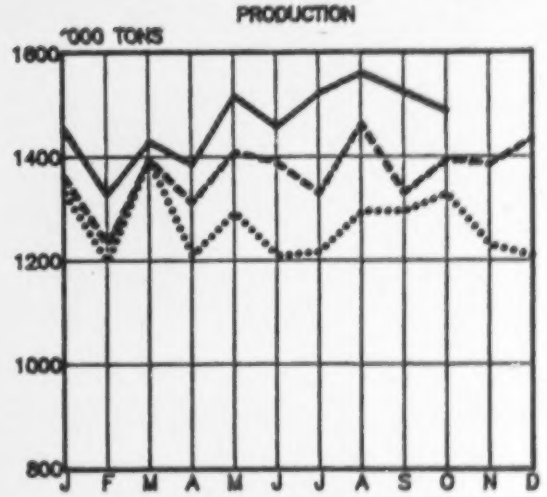
EXPORTS TO CANADA

Pulpwood, Roundwood (in cords of 128 cubic feet)	39,191	2,201	4493	291.6	0	0	8,319	-76.8
Pulpwood chips	262,844	13,577	3[illegible]	253.8	4,685	337	71,616	-45.9
Wood Pulp, Total	262,353	76,591	19090	7278.8	25.028	9.417	212,528	-19.2
Cotton Pulp & Other Pulp	33,629	10,458	7494	1631.8	8,560	1,506	56,097	85.4
Waste Paper	226,215	23,254	25159	2711.7	23,728	2,673	275,111	28.3
Paper, Board & Products, Total	725,421	464,684	85952.7	46964.4	105,707	58,075	945,533	32.9
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	570,635	315,710	61355.5	30835.8	74,326	40,043	698,674	24.9
Paper, Paperboard & Products	695,561	452,129	83912.4	45953.8	101,827	56,298	909,382	33.0
Paper & Paperboard, Only	540,775	303,154	59315.2	29825.2	70,445	38,266	662,522	24.6
Paper, Total	278,911	200,168	21754.3	19826.3	27,175	24,568	294,909	5.4
Newsprint	6.040	4,457	215.9	196.1	238	194	4,912	18.5
Printing, Writing & Rel. Pap.	121,167	99,480	10926.6	9553.8	14,275	12.567	146,422	22.5
Pack. & Ind. Conv. Paper	25,614	16,467	2180.2	1732.7	2,003	1,613	24,476	-4.6
Special Industrial Paper	122.874	75,189	7902.3	7900.2	10,093	9,379	113,418	-10.9
Tissue Paper	3,217	4,577	529.3	443.5	566	815	5,680	85.8
Paperboard, Total	261,864	102,986	37560.9	9998.9	43,271	13,698	367,613	45.9
Convtd Paper&Paperbd Products	154,786	148,975	24597.2	16128.6	31,382	18,032	246,859	62.1
Wet Machine Board	10,728	4,638	436	221.7	793	395	10,566	1.6
Construction Paper & Board	19,132	7,918	1604.3	788.9	3,088	1,382	25,586	47.5

SOURCE: Bureau of Census, Department of Commerce . E - Estimate of tonnage based on square foot data 20-Nov-87

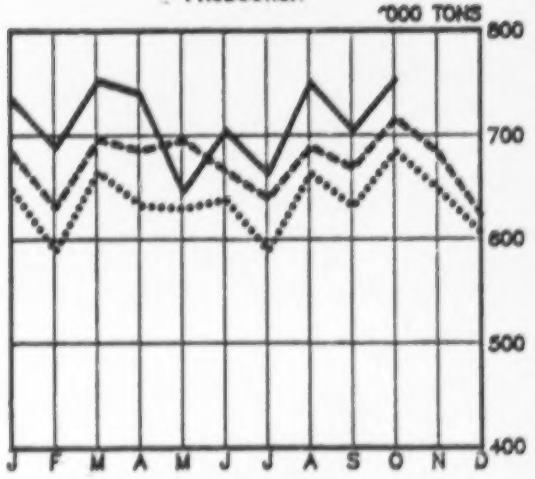
UNBLEACHED KRAFT LINERBOARD

PRODUCTION



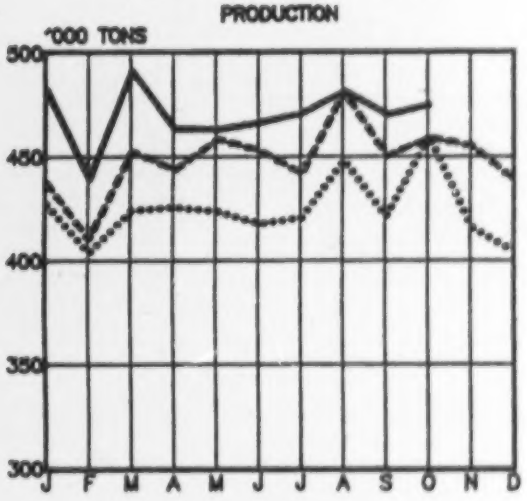
RECYCLED PAPERBOARD

PRODUCTION



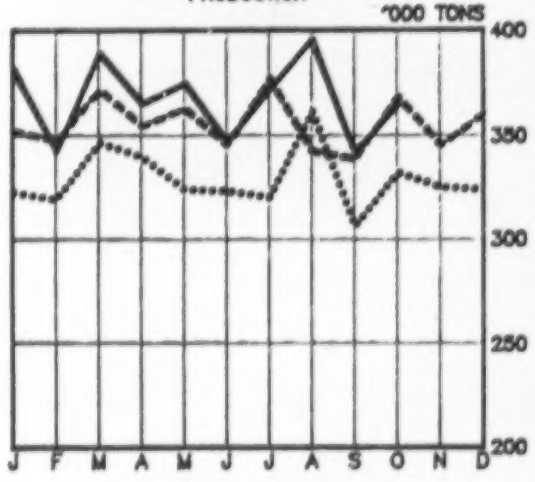
SEMICHEMICAL PAPERBOARD

PRODUCTION



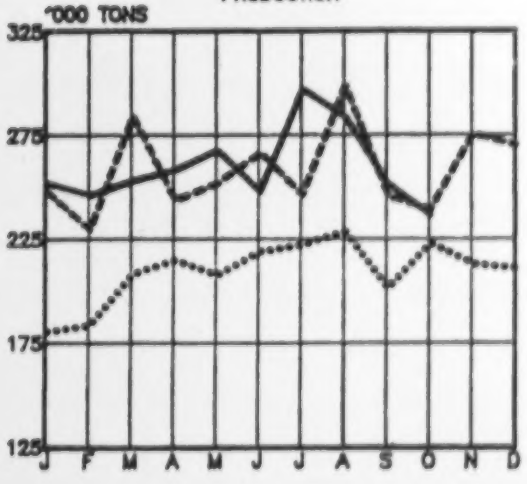
SOLID BLEACHED PAPERBOARD

PRODUCTION



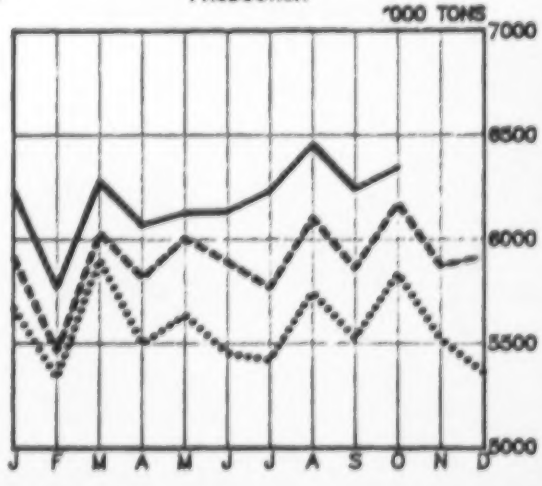
PAPERBOARD FOR EXPORT

PRODUCTION



TOTAL PAPER AND PAPERBOARD

PRODUCTION



1985 ..... 1986 ——— 1987 ———

IMPORTS

	YEAR 1986 Tons	YEAR 1986 $000	1987 AUGUST Tons	1987 AUGUST $000	1987 SEPTEMBER Tons	1987 SEPTEMBER $000	(1) Annual Rate YTD 1987 Tons	% Change from same Period Last Year
Pulpwood Roundwood (cords)	60,850	4,563	2,883	181	16	1	7,565	-89.04
Pulpwood Chips	724,828	19,642	34,029	1,646	46,549	1,582	475,735	-34.87
Total All Imports	16,722,494	7,674,736	1,428,232	741,647	1,563,883	796,747	17,888,143	6.79
Wood Pulp Total	4,581,760	1,601,378	388,031	163,594	432,275	186,914	4,864,872	5.83
Waste Paper	99,313	11,182	10,770	1,722	9,606	1,376	119,199	23.52
Other Fibrous Materials	184,969	26,326	6,048	2,385	3,331	1,188	81,975	-31.62
Paper Board & Products Total	11,936,452	6,035,850	1,031,384	574,825	1,117,792	607,349	12,734,097	7.42
Paper Paperboard Wet Machine Bd. & Construction Paper & Board	11,546,545	5,247,129	1,001,270	496,561	1,088,199	533,821	12,328,601	7.50
Paper Ppbd & Prds ex Cnst&WMB	11,596,888	5,928,457	1,003,146	564,188	1,091,554	599,454	12,488,092	7.80
Paper & Paperboard Only	11,286,981	5,139,735	973,032	486,644	1,061,961	525,926	12,002,596	7.89
Paper Total	10,925,453	5 051,917	945,268	477,687	1,028,501	513,888	11,635,113	7.15
Newsprint	8,587,587	3,682,351	708,175	338,549	779,893	367,745	9,004,648	4.27
Printing & Writing	2,029,302	1,179,882	208,345	119,888	215,189	125,277	2,261,918	17.70
Uncoated Groundwood	1,028,231	531,149	101,021	50,554	114,485	58,958	1,194,818	24.83
Coated Print.& Impreg. Pap.	501,382	359,495	70,089	46,389	68,788	41,131	629,113	30.56
Uncoated Free Sheet	453,638	254,627	33,656	19,985	37,151	22,152	387,379	-11.12
Uncoated Book	223,798	126,278	20,287	11,282	21,977	12,568	213,759	-2.53
Writing and Similar Paper	229,841	128,349	13,449	8,783	15,173	9,592	173,620	-19.82
Thin (except Cigarette)	45,351	33,831	3,619	2,918	2,819	2,991	49,782	18.65
Bristols	788	788	41	58	34	53	826	22.92
Total Pkg & Other Paper	242,571	146,212	24,979	16,457	29,855	17,870	313,565	32.46
Unbleached Kraft Paper	115,088	42,650	11,359	4,856	16,613	6,885	170,836	93.77
Other Pkg. & Indust. Paper	127,562	103,562	13,620	11,601	13,242	10,985	142,730	13.61
Tissue	66,873	43,552	3,769	2,792	3,565	2,916	54,982	-15.75
Paperboard, Total	281,448	87,818	27,764	8,956	33,460	12,118	367,483	38.26
Test or Containerboard	78,063	25,596	5,581	2,212	7,456	2,596	78,987	3.95
Semi-Chemical Corrugating	99,062	22,092	11,302	2,731	11,392	3,112	125,438	29.58
Other Paperboard	104,324	40,130	10,881	4,014	14,612	6,409	163,146	75.28
Convtd Paper&Paperbd Products	389,987	788,721	38,114	77,464	29,593	73,529	485,495	5.18
Paper Products, Total	361,517	738,257	27,563	71,664	26,877	67,918	371,235	3.99
Paperboard Products, Total	28,390	50,464	2,551	5,800	2,716	5,611	34,260	20.88
Wet machine Board	3,235	2,525	274	216	268	226	3,467	5.26
Construction Paper & Board	336,489	184,868	27,964	9,702	25,969	7,670	322,539	-5.48
Notes								
Other: No Weight Avail. ($000)		212,338		15,122		18,088	287,851	-8.89
Total Imports Incl. Other($000)		7,887,074		756,768		814,755	9,061,136	17.12

EXPORTS

	YEAR 1986 Tons	YEAR 1986 $000	1987 AUGUST Tons	1987 AUGUST $000	1987 SEPTEMBER Tons	1987 SEPTEMBER $000	(1) Annual Rate YTD 1987 Tons	% Change from same Period Last Year
Pulpwood, Roundwood (cords)	42,190	2,373	5,202	324	0	0	10,827	-72.87
Pulpwood Chips	2,428,333	179,822	310,345	22,629	239,693	18,251	2,458,232	10.99
Total All Exports	13,051,152	4,685,447	1,268,265	516,772	1,268,133	523,282	14,597,415	11.87
Wood Pulp,Total	4,450,312	1,662,466	398,027	184,686	442,106	208,466	4,887,520	9.85
Cotton Pulp and Other Pulp	157,452	72,588	24,684	11,286	19,185	8,625	182,459	13.56
Waste and Old Paper	3,748,711	411,876	351,482	45,629	395,897	44,598	4,192,591	12.48
Paper, Board & Products,Total	4,686,677	2,539,485	494,872	275,332	442,945	261,601	5,334,845	15.84
Paper,Paperboard,Wet Machine Bd. & Construction Paper & Board	4,168,179	1,853,616	429,827	207,935	368,247	189,548	4,614,316	11.85
Paper, Ppbd & Prod ex Cnst&WMB	4,592,635	2,487,587	485,777	270,985	434,325	257,178	5,230,580	15.09
Paper & Paperboard, Only	4,066,137	1,881,718	420,732	203,588	359,627	185,125	4,510,051	11.84
Paper, Total	883,689	642,597	82,761	69,169	75,266	69,991	911,721	5.74
Newsprint	392,228	194,549	34,955	20,535	19,978	13,123	342,088	-5.84
Printing & Writing	190,656	185,271	21,053	19,329	24,799	24,952	242,037	26.95
Uncoated Groundwood	40,847	28,947	5,787	3,998	6,231	4,506	52,969	25.82
Clay Coated Paper	78,248	57,856	7,868	5,398	9,287	6,620	97,238	24.45
Uncoated Free Sheet	58,148	71,356	5,450	7,272	7,181	10,597	65,517	32.32
Other Printing & Writing	21,420	27,114	1,957	2,662	2,101	3,229	26,313	25.84
Total Pkg. & Other Paper	284,048	241,426	22,709	26,458	26,248	28,405	291,415	-0.28
Unbleached Kraft	78,248	32,809	7,223	3,784	6,521	3,197	85,437	5.50
Other Pkg. & Indust. Paper	205,800	209,417	15,486	22,753	19,726	25,208	205,978	-2.49
Tissue	16,758	21,351	4,044	2,847	4,241	3,512	36,188	125.92
Paperboard, Total	3,182,448	1,159,121	337,971	134,418	284,361	115,135	3,598,330	13.49
Solid Wood Pulp	2,982,973	1,076,964	303,258	122,236	248,031	103,243	3,272,483	9.36
Total Linerboard	2,177,428	635,749	227,683	81,508	175,089	64,151	2,343,953	6.99
Bleached Kraft Linerboard	133,787	51,448	9,897	4,438	15,893	6,869	87,939	-39.00
Unbleached Kraft Linerbd	2,043,633	584,301	218,586	77,070	160,886	58,883	2,256,014	10.23
Other Unbleached Kraft	157,614	57,548	20,218	7,884	17,644	6,433	220,868	42.24
Other Bleached Kraft	571,298	359,954	91,447	31,716	52,238	31,644	637,625	11.85
Semi-Chemical Corrugating	76,641	21,713	3,918	1,208	2,267	1,015	70,844	-8.26
Recycled Paperboard	199,476	84,157	34,713	12,182	36,331	11,892	325,848	82.99
Convtd Paper&Paperbd Products	526,497	685,789	65,845	67,397	74,698	72,853	728,529	40.72
Paper Products, Total	240,171	456,429	26,865	45,311	27,934	47,764	299,988	38.17
Paperboard Products, Total	286,327	229,360	38,188	22,086	46,764	24,288	428,541	49.36
Wet Machine Board	18,893	7,259	693	358	1,157	525	10,226	-2.81
Construction Paper & Board E	75,149	44,639	7,682	3,997	7,483	3,898	86,939	16.27
Notes								
Other: No Weight Avail. ($000)		7,298		782		681	7,937	5.84
Total Exports Incl. Other($000)		4,692,745		517,474		523,963	5,949,457	28.53

SOURCE: Bureau of Census, U.S. Department of Commerce. E - Incl. estim. of tonnage based on square foot data.
(1) Annual Rate Year-To-Date is in tons unless otherwise specified in item description.

PRODUCER PRICE INDEXES
1967 = 100

	1985	1986	JULY 1987	AUGUST 1987	SEPTEMBER 1987	OCTOBER 1987	Annual Rate Y T D 1987	% Change from same Period Last Year
Pulp, Paper and Products except Building Grades	292.0	293.9	311.5	312.8	316.9	319.0	310.7	6.2
Pulp Paper & Products, ex. Building Grades & ex Waste Paper *	294.5	295.9	312.9	314.3	318.3	320.5	312.2	5.9
Total Wood Pulp	346.6	358.7	420.8	422.6	444.0	445.2	419.7	18.8
Total Paper	303.4	306.3	318.0	319.5	321.4	324 9	317.4	4.1
Total Paper, exc. Newsprint	298.8	300.4	303.8	305.4	307.7	314.1	305.5	2.1
Newsprint	332.9	326.1	355.8	367.1	369.2	368.4	351.5	8.3
Total Paperboard	274.6	271.9	296.3	300.7	308.5	310.8	297.8	10.1
Total Paper and Paperboard *	294.4	295.4	311.2	313.6	317.4	320.5	306.0	5.9
Converted Products	288.1	289.3	302.7	303.3	306.3	308.1	302.0	4.7
Waste Paper	148.8	172.8	226.2	227.0	234.2	232.5	219.1	30.7
All Commodities	308.9	299.8	310.2	310.5	310.4	311.4	300.9	2.7
Industrial Commodities	324.0	312.1	322.6	323.8	323.3	324.9	319.4	2.2

SOURCE: Producer Price Indexes: Bureau of Labor Statistics, U.S. Department of Labor * Computed by API

ANNUAL GROWTH FOR PAPER/PAPERBOARD CAPACITY
(000 short tons)

	Capacity	Annual Growth
1980	66,368	2.7%
1981	68,172	2.7
1982	70,086	2.8
1983	71,126	1.5
1984	73,098	2.8
1985	74,301	1.6
1986	75,777	2.0
1987E	78,021	3.0
1988E	79,799	2.3
1989E	81,847	2.6
1990E	84,104	2.8

Source: API Capacity Survey

E = Estimate

The graphs on page 8 show these changes in seasonal patterns. In July of 1985 and 1986 both unbleached kraft and semichemical paperboard showed a decline in production, whereas in July of 1987 production of both grades increased. Similarly, the October production levels reflected these new seasonal movements.

Although production of solid bleached paperboard in October moved in line with past seasonal trends, the weekly data show declines in the last week of the month and in the first week of November. The timing of this decline apparently had a smaller impact on the monthly production total.

Recycled paperboard, while not sharing these seasonal changes, accounted for most of the tonnage increase in production from September to October (see table on page 3). Operating rates averaged about 95% for October, an unusually high rate for recycled paperboard mills. The year-to-date total showed a 5.5% gain in production over its year-ago rate, reflecting 5% gains in production of recycled folding boxboard and non-packaging recycled paperboard, together with a 6.3% gain in production of recycled corrugating material. The gain in recycled folding paperboard, incidentally, was about twice the increase shown in production of solid bleached folding boxboard.

FIBROUS RAW MATERIALS

Market Pulp: Production of chemical paper grade market pulp remained at full capacity in October 1987, matching the year-to-date rate. Shipments in October equalled the production total and inventories held by producers remained flat at a relatively low 14 days of supply.

The 10-month 1987 rate of production amounted to a record-high 6.8 million short tons per year, 9.3% above its comparable 1986 level. Shipments also matched production for the entire 10-month 1987 period, but showed a gain of only 5.6% over their year-earlier total, reflecting the effect of the reductions in producers' inventories during 1986.

The gain in shipments was concentrated in exports, which increased by 7.0%; shipments to the domestic market rose by 3.6% in this period. Exports to the important Western Europe markets rose by 5.5%, accounting for 43% of total exports. The largest percentage gain was shown in shipments to Latin America. These shipments, which accounted for 14% of the export total, rose by 25%.

Fibrous Materials Consumption: Consumption of waste paper at paper and paperboard mills appears to be growing somewhat faster than that of wood pulp. Data for the first nine months of 1987, as reported in the table at the bottom of page 5, show wood pulp consumption up 4.8%; waste paper consumption up 5.7%.

This table also shows a shift in market pulp inventories from producers to consumers. As of the end of September 1987 inventories at producers were 10% below the year-ago level; inventories at consumers were up 10%

PAPER INDUSTRY CAPACITY PLANS

U.S. capacity to produce paper and paperboard will increase an estimated 3.0% this year, to 78.0 million tons, and then grow at an average annual rate of 2.5% between 1987 and 1990, according to the American Paper Institute's 30th annual Capacity Survey. (See table on page 10.) The anticipated 3.0% gain for 1987 represents the largest annual increase since 1973, reflecting efforts by the industry to meet the strong demand evident in 1987, particularly with respect to newsprint, printing and writing papers, and unbleached kraft paperboard. The gain also reflected the addition of one working day as a result of the changes in union contracts permitting mills to remain open during vacation periods. Correction for this factor adjusts the 1987 increase to 2.6%. Anticipated capacity growth for the four-year period from 1986 through 1990 will average 2.6% annually, which is significantly higher than the 2.1% average rate of growth recorded during the preceding ten years.

Total wood pulp capacity (excluding pulp for construction paper and board) is expected to reach 60.8 million tons in 1987, representing a 1.8% gain over 1986, and then increase at an average rate of 1.9% a year between 1987 and 1990. Although expected growth of wood pulp capacity is lower than for paper and paperboard, there are no indications of a fiber imbalance because mills plan to use more recyclable paper and imports of wood pulp can increase.

Of the 10.2 million tons increase in net paper and paperboard capacity between the end of 1984 and the end of 1990, 14% will come from new machines in greenfield mills and 30% from new machines at existing mills. Miscellaneous improvements, including machine rebuilds, conversions of machines to produce new products, grade and basis weight changes, and other improvements will account for a full 81% of the net new capacity growth. However, the gains from new machines and miscellaneous improvements will be partially offset by the retirement of older plants estimated at 2.5 million tons or 25% of the net gain.

The Capacity Survey has been distributed to API members. Others may purchase this Survey for $275 each, domestically, and $300, overseas, from the Capacity Department, Box SM, American Paper Institute, 260 Madison Avenue, New York, NY 10016.

INDUSTRY FACT SHEET

AMERICAN PAPER INSTITUTE, INC.
260 Madison Avenue
New York, New York 10016

NOVEMBER 30, 1987

PRODUCTION (000 TONS)

	OCTOBER 1987	SEPTEMBER 1987	OCTOBER 1986	FIRST TEN MONTHS 1987	FIRST TEN MONTHS 1986	% CHANGE YR TO DATE 1987/1986
PAPER GRADES						
Newsprint	508	494	469	4,860	4,686	3.7
Printing & Writing	1,788	1,760	1,765	17,200	16,329	5.3
Uncoated Groundwood (s)	121	126	138	1,265	1,280	-1.2
Coated Paper (s)	588	591	569	5,675	5,182	9.5
Uncoated Free Sheet Paper (s)	962	926	936	9,109	8,697	4.7
Thin Paper (s)	18	19	22	189	210	-9.9
Cotton Fiber Paper (s)	14	14	14	136	128	6.1
Bleached Bristols (s)	85	84	87	825	832	-0.8
Tissue Paper	459	436	454	4,399	4,250	3.5
Total Pkg & Other Paper	435	420	435	4,216	4,271	-1.3
Unbleached Kraft Packaging & Indl. Converting (s)	259	259	270	2,569	2,771	-7.3
Other Paper	176	161	166	1,647	1,500	9.8
TOTAL PAPER	3,189	3,110	3,124	30,675	29,536	3.9
PAPERBOARD GRADES						
Unbleached Kraft Paperboard	1,566	1,613	1,510	15,719	14,705	6.9
Unbleached Kraft Linerboard	1,485	1,521	1,392	14,633	13,588	7.7
Other Unbl. Kraft Paperboard	81	92	117	1,086	1,117	-2.7
Semichemical Paperboard	474	469	459	4,698	4,483	4.8
Bleached Paperboard	365	342	369	3,678	3,565	3.2
Recycled Paperboard	755	705	717	7,147	6,775	5.5
TOTAL PAPERBOARD	3,160	3,135	3,054	31,249	29,528	5.8
TOTAL PAPER AND PAPERBOARD	6,349	6,245	6,178	61,923	59,064	4.8

WOOD PULP (ALL GRADES)

	SEPTEMBER 1987	AUGUST 1987	SEPTEMBER 1986	FIRST NINE MONTHS 1987	FIRST NINE MONTHS 1986	% Change 87/86
Dissolving & Special Alpha	112	102	104	978	943	3.6
Bleached Sulfite	108	111	105	947	973	-2.7
Unbleached Sulfite	14	15	13	124	124	0.1
Bleached & Semi-Bl. Sulfate	2099	2227	1958	19303	17967	7.4
Unbleached Sulfate	1720	1809	1662	15749	15297	3.0
Semichemical	359	333	346	3188	3137	1.6
Groundwood & Thermomechanical	506	487	448	4258	4094	4.0
TOTAL PULP DIVISION DATA	4919	5083	4637	44546	42536	4.7

(s) - Shipments R - Revised

NOVEMBER 30, 1987

	Full Year		INDUSTRY DATA 1986 - 1987			Ann. Rate Year - To - Date	% From Same Pd. Last Year
				R	P		
PAPER AND PAPERBOARD -- Tons (000)	1985	1986	August	September	October	1987	
Total Production (API).....: excluding :...	67,030	70,861	6,461	6,245	6,349	74,308	4.8
Total Seasonally Adjusted....:construction:...			6,188	6,200	6,213	73,762	4.8
Imports (including Products).: and wet :..E	11,106	11,597	1,093	1,092	1,075	12,457	7.8
Exports (including Products).: machine :..E	4,009	4,593	486	434	441	5,237	15.6
Apparent Consumption.....: grades :...	74,127 a	77,866 b	6,795	6,858	6,847	80,983 c	4.7
Paper Production % Tonnage Capacity.....	90.5 g	93.0 g	93.2	94.1	93.2	93.4 gh	-
Paperboard Production % Tonnage Capacity.....	90.0 g	94.4 g	100.9	98.3	95.6	97.8 g	-
			July	August	September		
IMPORTS.....:Including Construction and :...	11,521	11,936	1,034	1,031	1,118	12,734	7.4
EXPORTS.....: WMB Grades (excl. HPB) :...	4,077	4,687	446	494	443	5,335	15.0
			July	August	September		
MARKET WOOD PULP PRODUCTION - Tons (000).....	6,800	7,583	729	708	680	8,087	7.4
TOTAL WOOD PULP PRODUCTION - Tons (000).....	54,147	57,017	5,111	5,083	4,919	59,395	4.7
WOOD PULP IMPORTS - TONS (000).....	4,466	4,582	491	388	546	5,017	9.1
WOOD PULP EXPORTS - TONS (000).....	3,791	4,458	463	398	442	4,888	8.8
RAW MATERIALS CONSUMPTION - Tons (000)							
..PAPER AND BOARD MILLS : excluding :			July	August	September		
Wood Pulp.....:consumption for:.....	55,947	56,329	4,984	4,943	5,013	58,705	4.8
Waste Paper.....:construction & :.....	15,623	16,670	1,453	1,539	1,488	17,583	5.7
TOTAL.....: WMB grades :.....	70,670	72,999	6,437	6,482	6,501	76,289	5.1
PULPWOOD CONSUMPTION Cords(000)Amer.Pulpwd. Assn	85,744	91,434	8,195	7,729	7,856	93,865	3.3
EMPLOYMENT (000)			August	September	October		
Paper and Allied Products.....Total.....	677.7	674.3	681.0	681.8	678.2	677.5	0.6
Pulp, Paper and Board Mills.....Total.....E	252.3	248.5	246.8	245.8	245.0	246.4	-0.8
AVERAGE HOURLY EARNINGS OF PRODUCTION WORKERS ($)			August	September	October		
Paper and Allied Products.....	10.82	11.14	11.41	11.69	11.49	11.39	2.4
Pulp, Paper Mills.....E	13.11	13.58	13.99	14.45	14.30	13.98	3.1
Paperboard Mills.....E	13.60	14.01	14.25	14.45	14.37	14.22	1.6
CAPITAL EXPENDITURES, PAPER & ALLIED PRODUCTS			1986 Q4	1987 Q1	1987 Q2		
(Rept. by US Dept. of Com., Ann. Rates, Bill.$)*	8.59	8.77	8.57	8.06	8.77	8.48 y	-3.3
INDEX OF OUTPUT PER MAN-HOUR (1977=100).....			August	September	September		
:IN PULP, PAPER :...Production Workers.....	123.6	131.2	142.1	134.6	138.0	138.4	5.9
:AND BOARD MILLS:...All Employees.....	122.1	130.4	139.6	134.0	136.6	136.2	4.8
PAPER AND ALLIED PRODUCTS (Million $)			August	September	September		
Industry Shipments (Dept. of Commerce)*.....	97,664	106,322	9,950	10,200	10,415	117,373	12.5
Pulp, Paper and Paperboard*.....	41,830	45,565	4,314	4,409	4,551	50,616	13.4
Inventories (End of Period) - Total Industry*..	9,728	10,250	11,021	11,052	10,990	10,990	8.9
Pulp, Paper and Paperboard*.....	3,800	4,078	4,173	4,159	4,117	4,117	4.4
			1986 Q4	1987 Q1	1987 Q2		
Sales (Corporations Only).....	71,465	74,844	19,948	19,941	21,553	82,988	15.3
Earnings (Corporations Only).....	2,880	3,289	957	996	1,206	4,404	46.4
Depreciation (Corporations Only).....	3,099	3,389	883	951	942	3,786	13.8
Net Worth (Corporations Only).....	29,694	31,221	31,221	32,231	32,843	32,843	7.7
PRICE INDEXES (Bureau of Labor Stats)1967=100			August	September	October		
Pulp, Paper & Products, ex. Building Grades....	292.0	293.8	312.8	316.9	319.0	310.7	6.2
Wood Pulp.....	346.6	358.8	422.6	444	445.2	420.2	18.8
Waste Paper.....	148.8	172.8	227.0	234.2	232.5	219.1	30.7
Paper.....	303.4	306.3	319.5	321.4	324.9	317.4	4.1
Paperboard.....	274.6	271.6	300.7	308.5	310.8	298.2	10.4
PAPER DEMAND (INDEXED: 1977=100)			August	September	October		
Total Paper Production *.....	122.8	127.9	132.5	132.6	132.8	132.0	3.8
Paper New Supply *.....	128.7	133.6	137.9	141.2	140.7	138.9	4.4
Demand Indicators - (Weighted Average) *.....	142.0	148.8	157.2	157.1	157.7	154.9	4.4
Production of Nondurable Goods *...(21.2%).	125.3	130.6	138.6	138.6	139.0	136.1	4.6
Disposable Income .....*.(23.9%)	128.4	133.6	134.9	135.0	137.0	134.8	1.0
Total Printing and Publishing *...(54.9%).	154.3	162.5	174.1	173.9	174.0	170.9	5.6
Trend Factor	Not Available						
PAPERBOARD DEMAND (INDEXED: 1977=100)							
Total Paperboard Production *.....	114.3	122.0	129.7	130.1	130.5	128.5	5.8
Production for Domestic Use	112.8	118.9	125.9	127.7	128.8	125.7	6.2
Demand Indicators - (Weighted Average) *.....	120.1	122.0	127.1	126.6	127.7	125.3	2.9
Production of Consumer Goods *...(62.06%)	129.5	124.4	129.2	128.4	129.9	127.5	2.8
Production of Equipment *...(5.75%)	146.4	142.8	150.3	151.7	153.2	148.1	3.7
Production of Materials *...(32.19%)	114.5	113.9	119.0	118.8	119.0	117.0	2.9
Trend Factor	Not Available						
NEWSPRINT MARKETS			July	August	September		
Consumption by Publishers - Tons (000).....	12,773	13,158	1,066	1,147	1,160	13,244	2.9
Newspaper Pub. and Printing Empl. Total(000)...	454	461	462	462	463	460	-0.1
PRINTING AND FINE PAPER MARKETS							
MAGAZINE ADVERTISING PAGES (PIB, Inc.).....	155,545	153,893	9,312	10,966	14,756	145,993	-0.1
WHOLESALERS SALES AND INVENTORIES (Million $)							
Total Paper & Pap. Prdcts..ex Wallpaper..Sales	36,798	40,521	3,930	4,029	4,182	45,588	14.0
Inventories (End of Period).	3,267	3,552	3,548	3,470	3,494	3,494	6.1
FIBRE BOX DATA (Fibre Box Association)			August	September	October		
Fibre Box Shipments (Million square feet).....	267,451	283,921	25,823	25,876	27,647	301,208	4.4
Container'bd Inventory at Mill & Plant(000Tons).	2,549	2,238	2,437	2,421	2,266	2,266	3.9
RETAIL TRADE (Million $)			August	September	October		
Total Retail Sales *.....	1,372,853	1,445,568	128,931	127,555	127,418	1,505,461	4.8
Nondurable Goods Stores Sales *.....	859,316	882,505	77,788	77,414	77,783	923,910	4.9
GENERAL ECONOMIC DATA			August	September	October		
TOTAL INDUSTRIAL PRODUCTION (INDEX 1977 = 100)*..	124.2	125.1	131	130.9	131.7	129.0	3.3
PRODUCER PRICES(ALL COMMODITIES)(INDEX 1967=100).	300.7	299.8	310.5	310.4	310.4	306.8	2.2
CONSUMER PRICES (ALL ITEMS) (INDEX 1967 = 100)...	322.2	328.4	342.7	344.4	345.3	339.3	3.5
			July	August	September		
TOTAL CONSUMER CREDIT OUTSTANDING - (Billion $)..	531	586	591.2	597.4	604.7	604.7	5.4
GROSS NATIONAL PRODUCT - ANNUAL RATE (Billion$)..			1987 Q1	1987 Q2	1987 Q3		
G.N.P. or Expenditure - Current $.....	4,010	4,235	4,378	4,445	4,521	4,448	5.5
G.N.P. or Expenditure - 1982 $.....	3,607	3,713	3,772	3,795	3,833	3,800	2.5

lb/capita
Pap&Papbd Othr Totl Popul(mil)
.a - 620 + 18 = 638 239.3
.b - 645 + 17 = 662 241.6
.c - 664 + 17 = 681 243.8
.e - estimated by API

f - Wood Pulp Production excludes def., explo. & scrngs.
g - Adjusted for holiday shutdowns
h - Adjusted to Conform with API Division data
j - Census unpublished data; standard dev. = 6 - 8%
Q - Quarter

R - Revised
y - Full year estim. by U.S. Dept. of Com.
* - Seasonally Adjusted.